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FM AMEMBASSY PRETORIA

TO RUEHC/SECSTATE WASHDC 4759

INFO RUCPDC/DEPT OF COMMERCE WASHDC

RHEBAAA/DEPT OF ENERGY WASHINGTON DC

RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE

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UNCLAS SECTION 01 OF 02 PRETORIA 001288

SIPDIS
SENSITIVE

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DEPT FOR AF/S, ISN, EEB/ESC AND CBA

DOE FOR T.SPERL, G.PERSON, A.BIENAWSKI, M.SCOTT, L.PARKER

E.O. 12958: N/A

TAGS: [ENRG](#) [EMIN](#) [EPET](#) [SENV](#) [BEXP](#) [AMGT](#) [SF](#)

SUBJECT: ESKOM SAYS OUTAGES POSSIBLE

REF: PRETORIA 982 AND PREVIOUS

11. (SBU) SUMMARY: State power supplier Eskom repeated its mea culpa and way forward themes in a business forum, admitting that there is still substantial risk of load-shedding during this southern hemisphere winter. Eskom called for consumers to implement ten percent reduction in use through conservation and efficiency measures. The power system remains extremely tight with insufficient reserve margin. End Summary.

How We Got Here

12. (SBU) Eskom spokesman Andrew Etzinger spoke to the South African Chamber of Commerce and Industry (SACCI) on June 11 about the status of the power crisis. He prefaced his remarks to the SACCI with an apology (again) for Eskom's failure to deliver reliable power. Etzinger summarized the events that led to the January 24 "black Friday" when Eskom could not guarantee power to the mines. Etzinger described the "perfect storm" combination of low and wet coal stockpiles, unstable power grid from planned and unplanned outages, and risk of system collapse that led to interruption of power to industry and unprecedented load-shedding.

Where We Go From Here

13. (SBU) Etzinger outlined steps that had achieved power system stabilization, including 10 percent demand reduction from key industrial/mining customers, increase in coal stockpiles, additional maintenance completed, and steps for augmenting generation supply. Etzinger stressed that the system remained tight and vulnerable and that Eskom needed South African customers to reduce their electricity usage by 10 percent across the board - and not only at peak times. He highlighted the need to implement energy efficiency and conservation measures in partnership with government and other stakeholders. Etzinger called for implementation of a quota and penalty system, where high energy users would be penalized for wasteful consumption. He noted that government would have to implement and regulate this system. Etzinger stated that coal stockpiles at power stations had reached an average of 19.8 days - close to its interim target, with no station under 15 days. He admitted that it was difficult to accelerate installation of promising solar water heaters at the targeted rate of 200,000 per

year when there was a skills gap of 5,000 qualified plumbers over the currently qualified number of 5,000.

¶4. (SBU) Etzinger defended Eskom's approach to its neighboring countries, stressing that Eskom was a net importer of electricity with aspirations to import incremental quantities. He gave the following data:

SA ELECTRICITY IMPORTS AND EXPORTS

| Country | (MW) Imports | (MW) Exports |
|-------------------|---------------------|-----------------|
| DRC | 200 | |
| Zambia | 100 | |
| Mozambique | 1400 (Cahora Bassa) | 900 (Mozal) |
| Botswana | | 350 |
| Swaziland | | 180 |
| Lesotho | | 24 |
| Namibia/Zimbabwe | | when available |
| QNamibia/Zimbabwe | | when available |

Etzinger stressed that Eskom could not stop exports to Mozambique given that imports were significantly greater and growing. He regretted that Eskom had stopped new connections to new domestic customers, but it aimed to resume these to the extent possible. (COMMENT: The opening of the newly constructed U.S. Consulate in Johannesburg will be delayed if Eskom does not provide the necessary power connection in the next few months. End Comment.) Etzinger described Eskom's ambitious new generation program (reftel), including high probability of finding a replacement for U.S. firm AES for provision of two peaking plants (he did not mention Suez of

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France by name as did the Energy Minister in a separate venue).

¶5. (SBU) COMMENT: There was little new at this presentation. Eskom's Etzinger has developed a well-honed spiel from 500 radio interviews and numerous power-point presentations, including a regular apology to the public for Eskom's failure to deliver reliable power. His main message is that the system remains at risk, so consumers must conserve electricity. When Energy Officer asked Etzinger before his presentation if there would be anything new in his remarks, he replied, "not really."

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